

Message Text

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ACTION IO-14

INFO OCT-01 ISO-00 FEA-01 ACDA-10 CIAE-00 INR-07 L-03

NSAE-00 NSC-05 EB-07 NRC-07 OES-07 DODE-00 SS-15

SP-02 PM-04 OIC-02 AF-10 ARA-14 EA-09 EUR-12

NEA-10 /140 W

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R 210922Z JUN 77

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 2183

INFO USERDA HQ WASHDC

USERDA HQ GERMOANTOWN

AMEMBASSY BONN

AMDMBASSY BRASISLIA 231

AMEMBASSY BUENOS AIRES

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY SEOUL

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USIAEA

E.O. 11652: N/A

TAGS: AORG, OCON, IAEA, TECH, PARM, AR, GW, CA, KN, UR

SUBJECT: IAEA BOARD OF GOVERNORS-- CONSIDERATION OF SAFEGUARDS
AGREEMENTS

REF: VIENNA 4879 (NOTAL)

SUMMARY: ON JUNE 16, 1977, BOARD OF GOVERNORS (BG),
AFTER CONSIDERABLE DEBATE AND COMPLAINTS RELATE
ISSUANCE OF BG DOCUMENTS CONTAINING TEXTS OF AGNECY
SAFEGUARDS AGREEMENTS WITH ARGENTIAN (GOV/1845 RELATING
TO FRG SUPPLY OF FUEL FABRICATION TECHNOLOGY AND
EQUIPMENT AND GOV/1846 RELATING TO CANADIAN SUPPLIES
PURSUANT TO ARGENTINA-CANADA BITLATERAL AGREEMENT
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FOR COOPERATION) AND NORTH DOREA (GOV/1847 RELATING
TO SOVIET FUEL SUPPLY FOR IRT RESEARCH READTOR), APPROVED
ALL THREE AGREEMENTS AND REQUESTED DIRECTOR GENERAL IN
FUTURE TO CIRCULATE TEXTS OF SAFEGUARDS AGREEMENTS NO
RPT NO LESS THAN TWO WEEKS BEFORE BG SESSION AT WHICH
THEY ARE TO BE CONSIDERED. DETAILS OF DEBATE FOLLOW
BELOW. END SUMMARY.

1. PHILIPPINE REP RECALLED EARLIER COMPLAINTS ABOUT LATE ISSUANCE OF BG DOCUMENTS CONTAINING SAFEGUARDS AGREEMENTS AND STATED THAT BG SHOULD NOT RPT NOT GO ALONG WITH THIS PROCITCE. HE SUGGESTED, THEREFORE, THAT BG CONSIDERATION OF THESE THREE AGREEMENTS SHOULD BE POSTPONED TO LATER SESSION. HE ALSO RECALLED DEPUTY DIRECTOR GENERAL ROMETSCH'S STATEMENT IN CONNECTION WITH DISCUSSION OF SPECIAL SAFEGUARD SIMPLEMENTATION REPORT THAT TWO OF THESE AGREEMENTS CONTAINED PROVISIONS CALLING FOR CONTAINMENT AND SURVEILLANCE MEASURES WHERE APPROPRIATE, AND INQUIRED WHICH OF THE THREE AGREEMENTS DID NOT

RPT NOT HAVE SUCH A PROVISION.

2. DEP DIR GEN ROMETSCH STATED THAT HE HAD MISSPOKE EARLIER AND THE, IN FACT, ALL THREE AGREEMENT CONTAINED THE CONTAINMENT AND SURVEILLANCE PROVISION.

3. UK REP SUPPORTED PHILIPPINE REP'S SUGGESTION TO POSTPONE CONSIDERATION OF THESE AGREEMENTS, AND SUGGESTED THAT POSSIBILITY OF SPECIAL BG SESSION IN TWO OR THREE WEEKS MIGHT ALSO BE CONSIDERED.

4. PAKISTAN REP EXPRESSED "HAPPINESS" WITH THESE UNCLASSIFIED

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AGREEMENTS INVOLVING TWO DEVELOPING COUNTRIES AND SUPPORTED THEIR APPROVAL. HE HAD TWO POINTS, HOWEVER: (A) HE NOTED THAT ONE AGREEMENT INVOLVED SUPPLIER STATE THAT HAD COMPLAINED VEHEMENTLLY AT FEBRUARY BG MEETING OVER LATE ISSUANCE OF BG DOCUMENT CONTAINING ANOTHER SAFEGUARDS AGREEMENT (REFENCERENCE TO CANADIAN OBJECTIONS RE PAKISTAN'S SAFEGUARDS AGREEMENT WITH AGENCY RELATING TO SUPPLIES OF URANIUM FOR NIGER); AND (B) HE OBJECTED TO DIR GEN'S SENTENCE IN COVERING MEMORANDA TO EFFECT THAT AGREEMENTS IN QUESTION GENERALLY FOLLOWED LINES OF EARLIER SAFEGUARDS AGREEMENTS APPROVED BY BG, SINCE THAT IMPLIED THAT BG HAD, IN EFFECT, APPROVED "STANDARD" AGREEMENTS, WHEN, IN FACT, BG HAD ACTUALLY APPROVED SAFEGUARDS "POLICIES" TO BE FOLLOWED IN SAFEGUARDS AGREEMENTS.

5. ITALIAN REP, ON POINT OF ORDER, ASKED ABOUT QUESTION OF POSTPONEMENT RAISED EARLIER BY PHILLIPPINE REP.

6. FRG REP, INITIALLY CALLING FOR FLOOR ON POINT

OF ORDER, EXPRESSED AGREEMENT THAT LATE ISSUANCE OF DOCUMENTS CAUSES CONCERN, BUT THAT BECAUSE FRG WAS INVOLVED AS SUPPLIER IN ONE CASE, HE COULD STATE THAT FRG HAD HAD OPPORTUNITY TO STUDY TEXT OF AGREEMENT CAREFULLY AND COULD APPROVE ITS. HE DESAGREED WITH PAKISTAN REP'S STATEMENT ATTEMPTING TO DISTINGUISH BETWEEN BG APPROVAL OF SAFEGUARDS "POLICIES" AND SAFEGUARDS AGREEMENTS.

7. ARGENTINE REP OFFERED APOLOGIES FOR LATE ISSUANCE OF DOCUMENTS AND DEFENDED NEED FOR APPROVAL OF TWO AGREEMENTS INVOLVING ARGENTINA AT THIS SESSION OF BG, ON GROUNDS OF FRG SUPPLY, THAT

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INR-07 L-03 NSAE-00 NSC-05 EB-07 NRC-07 OES-07
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CONTRACTS HAD BEEN FINALIZED AND FINANCING ARRANGED, AND FAILURE TO APPROVE RELATED SAFEGUARDS AGREEMENT WOULD SERIOUSLY "PREJUDICE" ARGENTINA'S PROGRAM, AND IN CASE OF CANADIAN SUPPLY, THAT RELATED SAFEGUARDS AGREEMENT WAS PURSUANT TO REQUIREMENT CONTAINED IN ARGENTINA-CANADA BILATERAL AGREEMENT FOR COOPERATION, AND IT WOULD BE "HARMFUL" TO ARGENTINA TO DEFER APPROVAL AT THIS BG SESSION. ACCORDINGLY, HE ASKED GOVERNORS

TO DO EVERYTHING POSSIBLE TO APPROVE THESE TWO SAFEGUARDS AGREEMENTS.

8. NIGERIA, CHILE AND BRAZIL REPS EXPRESSED SUPPORT
FOR BG APPROVAL OF AGREEMENTS AT THIS SESSION.

9. CANADIAN REP RESPONDED TO PAKISTAN REP'S FIRST
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POINT ABOVE BY STATING, "TOUCHE", AND ENDORSED
ARGENTINE REQUEST TO HAVE BG DEAL ASAP WITH AGREEMENT
CONTAINED GOV/1846.

10. UK REP INQUIRED ABOUT POSSIBILITY OF SPECIAL
BG SESSION IN THREE WEEKS.

11. ARGENTINE REP REITERATED THAT THIS WOULD BE
"HARMFUL" TO ARGENTINA AND CAUSE DELAYS IN
FABRICATING EQUIPMENT, ETC.

12. AT THIS POINT IN SESSION, BG CHAIRMAN SUGGESTED
ADJOURNINGG FOR LUNCH, DURING WHICH INTERESTED PARTIES
COULD ENGAGE IN CONSULTATIONS ON BEST WAY TO
PROCEED IN THIS MATTER. THIS WAS ACCEPTED WITHOUT
DEBATE.

13. IN AFTERNOON SESSION, BG CHAIRMAN ANNOUNCED
THAT, IN LIGHT OF CONSULTATIONS, HE TOOK IT THAT
BG DESIRED TO REQUEST DIR GEN IN FUTURE TO COMMUNICATE
SAFEGUARDS AGREEMENTS TO GOVERNORS NO RPT NO LESS THAN
TWO WEEKS PRIOR TO BG SESSION AT WHICH THEY WERE TO
BE CONSIDERED. FOLLOWING THIS DECISION, ALL THREE
AGREEMENTS WERE APPROVED FAIRLY ROUTINELY.

14. IN CONNECTION WITH GOV/1846, CANADIAN REP NOTED
THAT THIS WAS PURSUANT TO ARGENTINA-CANADA BILATERAL
AGREEMENT FOR COOPERATION CONCLUDED IN JANUARY 1976,
BUT THAT IN DECEMBER OF THAT YEAR, CANADA HAD
ADOPTED A POLICY OF REQUIRING FULL-SCOPE SAFEGUARDS
AND NPT OR NUCLEAR NON-PROLIFERAGION COMMITMENT AS
CONDITION OF SUPPLY. THUS, SAFEGUARDS AGREEMENT WOULD
ONLY APPLY TO SUPPLIES UNDER EXISTING CONTRACTS, AND
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THERE ARE NO RPT NO SUCH CONTRACTS RELATING TO
SUPPLIES IN FIELDS OF HEAVY WATER PRODUCTION,
REPROCESSING OR URANIUM ENRICHMENT OR OTHER "SENSITIVE"

TECHNOLOGIES. HE ALSO NOTED THAT, WHILE THIS SAFE-GUARDS AGREEMENT DID NOT RPT NOT FULLY REFLECT CURRENT CANADIAN NUCLEAR SUPPLY POLICIES, ITS COVERAGE WAS CONSISTENT WITH SUCH POLICIES, AND CANADA COULD, THEREFORE, SUPPORT ITS APPROVAL.

15. U.S. REP WELCOMED CANADIAN STATEMENT AND STATED THAT U.S. COULD SUPPORT AGREEMENT. HE ALSO WELCOMED DIR GEN'S AGREEMENT TO CIRCULATE TEXTS OF FUTURE SAFEGUARDS AGREEMENTS ON TIMELY BASIS. FINALLY, HE REITERATED POSITION THAT INDICATION OF U.S. APPROVAL OF THESE OR ANY OTHER SAFEGUARDS AGREEMENTS CONSIDERED BY BG DOES NOT RPT NOT SIGNIFY OR IMPLY ANY POSITION WHATSOEVER ON THE UNDERLYING TRANSACTIONS WITH RESPECT TO WHICH AGENCY SAFEGUARDS UNDER THESE AGREEMENTS WILL APPLY, AND NOTED THAT THERE HAD BEEN SOME MISUNDERSTANDINGS ON THIS POINT IN THE PAST.

16. DURING DISCUSSION ON AGENCY/NORTH KOREA SAFEGUARDS AGREEMENT, PHILIPPINE REP REQUESTED INFO RE POWER OF REACTOR INVOLVED, ENRICHMENT OF NUCLEAR FUEL AND CONFIRMATION THAT PREVIOUSLY SUPPLIED FUEL MATERIAL ALSO WOULD BE COVERED BY THIS AGREEMENT. DEP DIR GEN ROMETSCH RESPONDED BY SAYING THAT, WHILE AGENCY HAS NOT RPT NOT BEEN OFFICIALLY NOTIFIED, PUBLISHED MATERIAL REVEALED THAT REACTOR WAS STANDARD SOVIET IRT RESEARCH REACTOR USING APPROXIMATELY 10 PERCENT ENRICHED URANIUM. HE ALSO CONFIRMED THAT PREVIOUSLY SUPPLIED MATERIAL, INCLUDING PRODUCED MATERIAL, WOULD BE SUBJECT TO SAFEGUARDS UNDER THIS AGREEMENT. PHILIPPINE REP THEN NOTED THAT PHILIPPINES BELONGS TO REGION OF FAR EAST, AND ACCORDINGLY, WELCOMED

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SAFEGUARDS AGREEMENT BETWEEN NORTH KOREA AND AGENCY. HE EXPRESSED HOPE THAT NORTH KOREA MIGHT ALSO BZIO ME NPT PARTY AND CALLED ON SOVIET UNION TO ADOPT POLICY OF REQUIRING FULL-SCOPE SAFEGUARDS IN CONNECTION WITH ANY FUTURE NUCLEAR SUPPLIES TO NORTH KOREA.

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Message Attributes

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Disposition Approved on Date:
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TAGS: AORG, OCON, TECH, PARM, AR, GE, CA, KN, UR, IAEA
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